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Federal Communications Commission
Office of the Secretary

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: MB 04-233
FCC Public Hearing on Localism
Washington, DC - October 31, 2007

Dear Ms. Dortch:

CBS Radio Inc. ("CBS Radio") hereby submits its comments in response to testimony in the FCC's public hearing on localism on October 31, 2007, by Bob Edwards, testifying on behalf of AFTRA. Mr. Edwards' comments as to the impact on the Chicago radio market of the Viacom-CBS merger in 1999 were inaccurate and are hereby being corrected for the record in the referenced proceeding. Mr. Edwards referred to CBS Radio to support his view that "[r]adio ownership was largely deregulated in 1996 to the detriment of localism in broadcasting." More specifically, as a purported example of the adverse effects of deregulation, Edwards contended that Viacom "killed WMAQ-AM" in Chicago to reduce competition for Chicago's only other all-news station WBBM-AM, also owned by Viacom, and that this action was not in the public interest even though it "may have been highly profitable for Viacom."

As reflected by the facts set forth below, Edwards' rendition of Chicago radio history is flawed.

• Ownership History

- Westinghouse Electric Corporation and CBS Inc. announced on August 1, 1995, that Westinghouse had agreed to acquire CBS.
- Westinghouse Electric Corporation acquired Infinity in 1996.
- Viacom Inc. and CBS Corporation announced a merger on September 7, 1999.

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- *History of WMAQ and WBBM*

The former WMAQ(AM), 670 kHz, was a Chicago AM station with a long history of format changes. Over the years, WMAQ's formats had included recorded music (1930's-1940's), an adult popular format (1950's-1960's), hot adult contemporary (1970's), country (1975-1985) and news/talk (1985-1988). Group W acquired WMAQ(AM) from NBC in 1988.

WBBM (AM), owned and operated by CBS since 1929, launched its 24-hour, all-news format, known as Newsradio 780, in 1968.

In 1989, WMAQ's new owner, Group W decided to change WMAQ's format once again, this time to all news, replacing a talk format. At the time that WMAQ switched to all-news, WBBM(AM) was already celebrating its 20th anniversary as an all-news station.

From the start, WMAQ's effort to compete head-to-head with the WBBM(AM) was a losing proposition. It could not achieve the ratings or gain the advertisers that WBBM(AM) had acquired over its two decades' head start. A turning point for WMAQ's all-news format came in 1995 following the O.J. Simpson trial. During the trial, WMAQ departed from its all-news format to cover the trial in its entirety while WBBM retained its all-news format, providing only summaries of the trial. When the O.J. trial concluded, WMAQ management made the decision not to return the station to its all-news format, recognizing that it could not compete head-to-head with WBBM's hard breaking news, 24-hour style. Instead, WMAQ modified its format to sports talk at night and sports play by play (Chicago Bears, Bulls, White Sox, Blackhawks) at night and on weekends. During the day, WMAQ, while referring to itself as "all news", had actually adopted a more conversational, long-form format, with news twice an hour, and then discussion of the news, with guests and interviews during the hour. Thus, WMAQ's experiment with a 24-hour, all-hard-news format similar to WBBM's ended in the mid-1990s, *well prior to the 1999 Viacom-CBS merger*.

- *CBS/Viacom Merger -- Cross Ownership Compliance:* In the 1999 Viacom-CBS merger application, the radio-television cross-ownership showing for Chicago demonstrated that eight commercial radio stations in the Chicago market were controlled by CBS and that one commercial television station (WBBM-TV) was licensed to CBS. Rule 73.3555(c)(2) provided that one entity may own, operate or control one commercial television station and seven commercial radio stations if at least 20 independently-owned media voices would remain in the market post-merger, as was the case in Chicago. Therefore, as a condition of the merger grant, Viacom was required to divest one radio station in Chicago.

- *FCC-Required Divestiture Results in 1160 KHz Sale.*

To comply with the FCC-mandated divestiture, Viacom made the decision to sell 1160 kHz and move the WSCR (sports) format from 1160 kHz (which could not reach the



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Chicagoland listening area at night) to the wider-coverage offered by WMAQ frequency 670 kHz. As noted, however, by 1999, WBBM(AM) and WMAQ(AM) were no longer competitors in the all-news format. While WBBM (AM) had continued its 24 hour, all news format for three decades, WMAQ(AM) in the mid-1990's had adopted a hybrid blend of news, talk, sports talk and sports programming. Other AM stations in the market, such as WGN(AM) (Tribune) and to a lesser extent, WLS(AM) (ABC) were then, as now, offering the market substantial amounts of news programming (e.g., WGN(AM) provided news twice an hour as part of its news/talk format). Accordingly, the decision was made to sell the 1160 AM frequency formerly occupied by WSCR and to replace the format of WMAQ's 670 kHz with a sports format under the call letters WSCR ("The Score").

- Effects of Frequency Swap

As reflected by the foregoing history, the migration of the 1160 kHz sports format and WSCR call letters to 670 kHz did not, as Bob Edwards claimed in his testimony, signal the death knell of Chicago's second source of all-news programming because by the time the event occurred, WMAQ's format had already evolved and for several years had not been an all news competitor of WBBM (AM). Thus, CBS did not decide to change the format of WMAQ(AM) in order to eliminate an all-news station competitor to WBBM. Moreover, the loss of WMAQ's hybrid news/talk/sports talk/sports programming blend was not detrimental to the public interest because there were other major stations – including WGN and WLS – offering programming similar to that carried by WMAQ(AM) in the latter part of the 1990's. Thus, Edwards' demonstrably inaccurate rendition of history must be corrected to reflect the facts on the record for this proceeding. In fact, CBS did not "kill" all-news WMAQ(AM), because that station had changed its format from all-news many years before the 1160 kHz divestiture and concurrent 670 kHz format change occurred.

Very truly yours,

Steven A. Lerman
General Counsel
CBS Radio Inc.

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cc: Chairman Kevin J. Martin
Commissioner Michael J. Copps
Commissioner Deborah Taylor Tate
Commissioner Jonathan S. Adelstein
Commissioner Robert M. McDowell
Ms. Monica Desai, Mass Media Bureau